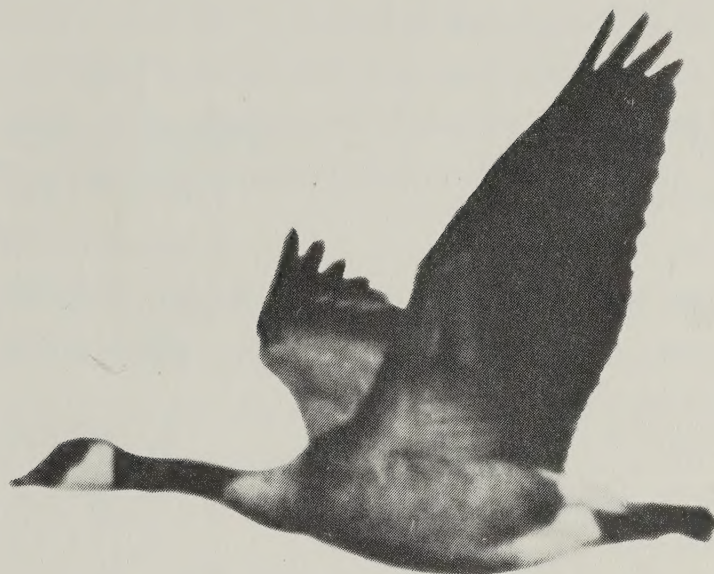


AR09



THE TORONTO-DOMINION BANK

120th Annual Statement
Year Ended October 31, 1975

ANNUAL STATEMENT

HIGHLIGHTS

	<u>1975</u>	<u>1974</u>	<u>% increase</u>
Total Assets	\$13,576,568,964	\$11,857,016,787	14.5
Securities	1,497,672,755	1,322,521,790	13.2
Loans	8,105,450,178	6,976,317,903	16.2
Deposits	12,081,326,927	10,740,967,853	12.5
Balance of Revenue	175,309,658	137,869,161	27.2
Balance of Revenue after Income Taxes	90,609,658	69,069,161	31.2
Income Taxes	83,680,000	68,871,000	21.5
Dividends	26,139,500	20,418,750	28.0
Capital Funds	583,882,718	442,851,310	31.8

Per Share

Balance of revenue after income taxes

First Quarter	\$1.14	\$1.07	6.5
Second Quarter	1.14	.96	18.8
Third Quarter	1.27	1.10	15.5
Fourth Quarter	1.37	.96	42.7
Full Year	4.92	4.09	20.3
Dividends	1.40	1.21	15.7

THE TORONTO-DOMINION BANK

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Shareholders of this Bank will be held in The Cinema, Toronto Dominion Bank Tower (Concourse Level), King and Bay Streets, Toronto, on Wednesday, the 10th day of December, 1975, at 11:00 a.m.

For tax purposes, Toronto Dominion Bank stock was quoted on Valuation Day, December 22, 1971, at \$30.00 per share.

2005
2409

CHAIRMAN'S REPORT TO SHAREHOLDERS

We are pleased to report that our Bank had after-tax Balance of Revenue of \$90.6 million for the 1975 fiscal year with International Division continuing to contribute over 25% of overall earnings. These results compare with \$69.1 million reported last year and represent an increase of 31%. On a per share basis, Balance of Revenue after taxes is \$4.92 as compared to \$4.09 a year ago at which time a lesser number of shares was outstanding.

There are four main contributing factors to this growth. Firstly, the Bank through a rights issue raised \$63 million of share capital funds which were employed as earning assets during 1975. Secondly, average assets during the year were 20% higher than in 1974. Thirdly, through improved operating efficiencies the Bank was able to moderate the increase in operating expenses, particularly in the second half of the current fiscal year. Finally, there was a modest reduction in the tax rate applicable to 1975 earnings.

In recognition of the economic uncertainties which exist throughout the world, the Bank found it appropriate to set up higher provisions for loan losses in the current year. A significant portion of this increase relates to loans to U.S. real estate investment trusts. The Bank has set up a provision on these loans of \$8 million or 18% and in addition, has not taken into earnings uncollected interest of about \$2 million.

As a result of the debenture and rights issues and additional retained earnings, capital funds increased in the year by \$141 million to a total of \$584 million at October 31, 1975. A major portion of these funds are in the Rest Account which has now reached \$400 million. This capital base provides a sound foundation for further growth.

Allen T. Lambert
Chairman and
Chief Executive Officer

November 27, 1975

246
21492

$\frac{18}{100} = 8$
 $\frac{18}{3} = \frac{800}{18} =$

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED OCTOBER 31, 1975 *(with comparative figures for preceding year)*

REVENUE	1975	1974
Income from loans	\$ 979,965,419	\$ 900,215,734
Income from securities	100,703,583	86,123,236
Other operating revenue	90,986,652	73,205,974
Total revenue	<u>\$1,171,655,654</u>	<u>\$1,059,544,944</u>
EXPENSES		
Interest on deposits and bank debentures	\$ 709,993,940	\$ 691,251,678
Salaries, pension contributions and other staff benefits	170,273,207	136,152,453
Property expenses, including depreciation	46,877,949	39,089,965
Other operating expenses, including provision for losses on loans based on five-year average loss experience	69,200,900	55,181,687
Total expenses	<u>\$ 996,345,996</u>	<u>\$ 921,675,783</u>
Balance of revenue	\$ 175,309,658	\$ 137,869,161
Provision for income taxes relating thereto (Note 2)	84,700,000	68,800,000
Balance of revenue after provision for income taxes	\$ 90,609,658	\$ 69,069,161
Appropriation for losses	31,000,000	21,000,000
Balance of profits for the year	<u>\$ 59,609,658</u>	<u>\$ 48,069,161</u>

STATEMENT OF UNDIVIDED PROFITS

FOR THE YEAR ENDED OCTOBER 31, 1975 *(with comparative figures for preceding year)*

	1975	1974
Undivided profits at beginning of year	\$ 901,310	\$ 1,250,899
Balance of profits for the year	59,609,658	48,069,161
Transfer from accumulated appropriations for losses	10,000,000	9,000,000
	<u>\$ 70,510,968</u>	<u>\$ 58,320,060</u>
Dividends	\$ 26,139,500	\$ 20,418,750
Transferred to rest account	40,937,500	37,000,000
	<u>\$ 67,077,000</u>	<u>\$ 57,418,750</u>
Undivided profits at end of year	<u>\$ 3,433,968</u>	<u>\$ 901,310</u>

STATEMENT OF REST ACCOUNT

FOR THE YEAR ENDED OCTOBER 31, 1975 *(with comparative figures for preceding year)*

	1975	1974
Amount at beginning of year	\$300,000,000	\$263,000,000
Premium on issue of new shares (Note 4)	59,062,500	—
Transfer from undivided profits	40,937,500	37,000,000
Amount at end of year	<u>\$400,000,000</u>	<u>\$300,000,000</u>

Balance of revenue per share after provision for income taxes	<u>\$4.92</u>	<u>\$4.09</u>
Dividends per share	<u>\$1.40</u>	<u>\$1.21</u>

STATEMENT OF ACCUMULATED APPROPRIATIONS FOR LOSSES

FOR THE YEAR ENDED OCTOBER 31, 1975 (with comparative figures for preceding year)

	1975	1974
Accumulated appropriations at beginning of year:		
General	\$ 53,791,070	\$ 61,968,048
Tax-paid	38,973,507	27,507,921
Total	<u>\$ 92,764,577</u>	<u>\$ 89,475,969</u>
Additions (deductions) during year:		
Appropriation from current year's operations	\$ 31,000,000	\$ 21,000,000
Loss experience on loans for the year less provision included in other operating expenses	(12,647,784)	(1,006,162)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	(446,492)	(8,157,693)
Other profits, losses and non-recurring items, net	(372,794)	523,463
Provision for income taxes including credit of \$1,020,000 in 1975 (nil in 1974) relating to appropriation from current year's operations (Note 2)	1,020,000	(71,000)
	<u>\$ 18,552,930</u>	<u>\$ 12,288,608</u>
Balance before transfer	\$111,317,507	\$ 101,764,577
Transfer to undivided profits	10,000,000	9,000,000
Total	<u>\$101,317,507</u>	<u>\$ 92,764,577</u>
Accumulated appropriations at end of year:		
General	\$ 46,719,847	\$ 53,791,070
Tax-paid	54,597,660	38,973,507
Total	<u>\$101,317,507</u>	<u>\$ 92,764,577</u>

NOTES TO FINANCIAL STATEMENTS

- The financial statements include the assets and liabilities and results of operations of wholly-owned subsidiaries, Toronto-Dominion Bank of California, Toronto-Dominion Bank Investments (UK) Limited, Toronto-Dominion Investments (H.K.) Limited, and Toronto-Dominion Bank de Panama S.A.
- Provision for income taxes shown in:

	1975	1974
Statement of revenue and expenses	\$ 84,700,000	\$ 68,800,000
Statement of accumulated appropriations	(1,020,000)	71,000
Total provision for income taxes	<u>\$ 83,680,000</u>	<u>\$ 68,871,000</u>
- Debentures:

	1975	1974
6% sinking fund debentures maturing 1987	\$ 11,060,000	\$ 11,420,000
7% sinking fund debentures maturing 1987	11,420,000	11,780,000
7% sinking fund debentures redeemable at holder's option in 1976, 8% thereafter maturing 1991	30,000,000	30,000,000
7½% sinking fund debentures maturing 1993 redeemable at holder's option in 1979	30,000,000	30,000,000
7¾% sinking fund debentures maturing 1997	25,000,000	25,000,000
9¾% debentures maturing 1981	35,000,000	
	<u>\$142,480,000</u>	<u>\$108,200,000</u>
- As a result of a rights issue during the year, the bank issued 2,109,375 shares at \$30 each of which \$2 was credited to capital and \$28 to rest account. Where per share figures are referred to, they have been calculated on the weighted monthly average of equivalent fully paid shares, amounting to 18,430,228 in 1975 (1974 — 16,875,000).
- Subject to ratification by the shareholders at the Annual General Meeting on December 10, 1975, the Bank proposes to subdivide each existing share having a par value of \$2 into two shares, each having a par value of \$1.

STATEMENT OF ASSETS

AS AT OCTOBER

(with comparative figures for 1974)

ASSETS

CASH RESOURCES

1975

1974

Cash and due from banks	\$ 3,036,995,284	\$ 2,823,766,833
Cheques and other items in transit, net	89,141,552	126,358,398
	<u>\$ 3,126,136,836</u>	<u>\$ 2,950,125,231</u>

SECURITIES

Securities issued or guaranteed by Canada, at amortized value	\$ 974,687,295	\$ 963,788,722
Securities issued or guaranteed by provinces, at amortized value	104,789,845	53,539,264
Other securities, not exceeding market value	418,195,615	305,193,804
	<u>\$ 1,497,672,755</u>	<u>\$ 1,322,521,790</u>

LOANS

Day, call and short loans to investment dealers and brokers, secured	\$ 291,270,978	\$ 276,804,472
Other loans, including mortgages, less provision for losses	7,814,179,200	6,699,513,431
	<u>\$ 8,105,450,178</u>	<u>\$ 6,976,317,903</u>
Bank premises at cost, less amounts written off	\$ 59,947,223	\$ 50,082,466
Securities of and loans to corporations controlled by the Bank	16,310,111	15,187,295
Customers' liability under acceptances, guarantees and letters of credit, as per contra	759,005,054	532,638,234
Other assets	12,046,807	10,143,868
	<u>\$13,576,568,964</u>	<u>\$11,857,016,787</u>

A. T. LAMBERT, *Chairman and
Chief Executive Officer*

J. A. BOYLE, *Executive Vice-President
and Chief General Manager*

AND LIABILITIES

1975

(preceding year)

LIABILITIES

DEPOSITS

	1975	1974
Deposits by Canada	\$ 133,749,427	\$ 140,187,788
Deposits by provinces	223,470,220	244,246,817
Deposits by banks	2,839,772,791	2,365,499,858
Personal savings deposits payable after notice, in Canada, in Canadian currency	4,008,745,271	3,631,569,468
Other deposits	4,875,589,218	4,359,463,922
	<u>\$12,081,326,927</u>	<u>\$10,740,967,853</u>
Acceptances, guarantees and letters of credit	\$ 759,005,054	\$ 532,638,234
Other liabilities	51,036,758	47,794,813
Accumulated appropriations for losses	101,317,507	92,764,577

CAPITAL FUNDS

Debentures (Note 3)	142,480,000	108,200,000
Capital: (Note 4)		
Authorized, 25,000,000 shares, par value \$2 each		
Issued and fully paid, 18,984,375 shares	37,968,750	33,750,000
(1974 — 16,875,000 shares)		
Rest account	400,000,000	300,000,000
Undivided profits	3,433,968	901,310
	<u>\$ 583,882,718</u>	<u>\$ 442,851,310</u>
	<u>\$13,576,568,964</u>	<u>\$11,857,016,787</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the statement of assets and liabilities of The Toronto-Dominion Bank as at October 31, 1975 and the statements of revenue and expenses, undivided profits, accumulated appropriations for losses and rest account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the foregoing statements present fairly the financial position of the Bank as at October 31, 1975 and the revenue and expenses, undivided profits, accumulated appropriations for losses and transactions in the rest account of the Bank for the year ended on that date.

D. L. GORDON, F.C.A. of Clarkson, Gordon & Co.	} Auditors
K. G. DALGLISH, C.A. of Thorne Riddell & Co.	

TORONTO, NOVEMBER 27, 1975

CONTROLLED CORPORATIONS
STATEMENTS OF ASSETS AND LIABILITIES
AS AT OCTOBER 31, 1975
(with comparative figures for preceding year)

TORONTO-DOMINION REALTY CO. LIMITED

ASSETS

	1975	1974
Accounts receivable	\$ 136,702	\$ 120,654
Land and buildings at cost less accumulated depreciation	41,702,016	40,926,274
	<u>\$41,838,718</u>	<u>\$41,046,928</u>

LIABILITIES

Loans from The Toronto-Dominion Bank	\$14,179,739	\$13,056,923
Accrued bond and debenture interest	491,263	482,524
Income and other taxes payable	20,056	32,773
Other liabilities	2,183	1,526
4.85% First Mortgages Sinking Fund Bonds Series "A" due June 1, 1990 (U.S. \$11,900,000) (Sinking Fund requirements U.S. \$350,000 in each of the years 1976-1989)	12,877,764	13,256,524
5¾% Debentures Series "A" due June 1, 1981 (U.S. \$10,000,000)	10,768,750	10,768,750
	<u>\$38,339,755</u>	<u>\$37,599,020</u>

Shareholders' Funds

Capital Stock:

Authorized —

90,000 5% non-cumulative, non-voting preference shares redeemable at par value of \$100 each

1,000,000 common shares par value \$1 each

Issued and fully paid —

29,000 preference shares

100,000 common shares

Undivided profits

\$41,838,718 \$41,046,928

NOTE: The capital stock is owned entirely by The Toronto-Dominion Bank and is carried on the books of the Bank at \$183,468.

THE TORONTO-DOMINION BANK TRUST COMPANY

Balances expressed in U.S. currency

ASSETS

	1975	1974
Deposits with banks	\$ 43,803	\$ 59,897
Call loans	805,000	630,000
Investments, not exceeding amortized value:		
Obligations of states and political subdivisions	647,840	868,728
Other bonds, notes and debentures	1,450,267	1,435,747
Other assets	18,975	27,743
	<u>\$ 2,965,885</u>	<u>\$ 3,022,115</u>

LIABILITIES

Demand deposits	\$ 412,664	\$ 467,267
Income and other taxes payable	12,514	13,886
Dividend payable	100,000	100,000
Shareholders' Funds		
Capital stock — authorized, issued and fully paid — 10,000 shares of \$100 each	1,000,000	1,000,000
Paid-in surplus	1,000,000	1,000,000
Undivided profits	440,707	440,962
	<u>\$ 2,965,885</u>	<u>\$ 3,022,115</u>

NOTE: The company performs certain services and functions in New York for the Bank's clients. The capital stock, with the exception of the directors' qualifying shares, is owned entirely by The Toronto-Dominion Bank and is carried on the books of the Bank at \$1,946,904 Canadian currency.

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TORONTO-DOMINION BANK

We have examined the statements of assets and liabilities of controlled corporations as at October 31, 1975. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statements of assets and liabilities present fairly the financial positions of the corporations as at October 31, 1975.

D. L. GORDON, F.C.A. of Clarkson, Gordon & Co.	}	Auditors
K. G. DALGLISH, C.A. of Thorne Riddell & Co.		

TORONTO, NOVEMBER 27, 1975

BOARD OF DIRECTORS

ALLEN T. LAMBERT *Chairman and Chief Executive Officer*

SAMUEL T. PATON *Deputy Chairman*

RICHARD M. THOMSON *President*

J. ALLAN BOYLE *Executive Vice-President and Chief General Manager*

HERBERT S. WHITE *Executive Vice-President, International*

Vice-Presidents:

BEVERLEY MATTHEWS, Toronto
Partner, McCarthy & McCarthy

GÉRARD PLOURDE, Montreal
Chairman of the Board and Chief Executive Officer, U A P Inc.

A. GORDON ARCHIBALD, Halifax
Chairman and Chief Executive Officer, Maritime Telegraph & Telephone Company, Limited

H. CLARK BENTALL, Vancouver
Chairman and Chief Executive Officer, The Dominion Construction Company Limited

JOHN E. BRENT, Toronto
Chairman of the Board, IBM Canada Ltd.

FREDERICK E. BURNET, Vancouver
Chairman and Chief Executive Officer, Cominco Ltd.

J. EDWIN CARTER, New York
President, The International Nickel Company of Canada, Limited

JACQUES de BILLY, Quebec City
Partner, Gagnon, de Billy, Cantin, Dionne, Martin, Beaudoin & Lesage

A. JEAN de GRANDPRÉ, Montreal
President, Bell Canada

JOHN S. DEWAR, Toronto
President, Union Carbide Canada Limited

SIR ERIC DRAKE, London
Chairman, The British Petroleum Company Limited

ALBERT P. GAGNEBIN, New York
Director, The International Nickel Company of Canada, Limited

C. MALIM HARDING, Toronto
Chairman of the Board, Harding Carpets Limited

H. CLIFFORD HATCH, Walkerville, Ont.
President, Hiram Walker-Gooderham & Worts Limited

DONALD F. HUNTER, Toronto
Chairman, Maclean-Hunter Limited

JOSEPH JEFFERY, London
Chairman of the Board and Chief Executive Officer, London Life Insurance Co.

E. LEO KOLBER, Montreal
President, Cemp Investments Ltd.

LOUIS A.-LAPOINTE, Montreal
Chairman of the Board, Miron Company Ltd.

H. GORDON MacNEILL, Toronto
President and Chief Executive Officer, Goodyear Canada Inc.

DOUGLAS C. MARRS, Hamilton
President, Westinghouse Canada Limited

J. C. McCARTHY, Toronto
*Vice-Chairman
The Consumers' Gas Company*

ARNE R. NIELSEN, Calgary
President and General Manager, Mobil Oil Canada, Ltd.

GORDON P. OSLER, Toronto
Vice-Chairman, British Steel Corp'n. (Canada) Limited

JOHN N. PATERSON, Thunder Bay
Executive Vice-President and General Manager, N. M. Paterson & Sons Limited

JOHN E. POOLE, Edmonton
Co-Chairman of the Board, Poole Construction Limited

R. J. RICHARDSON, Montreal
President, Du Pont of Canada Limited

CLARENCE D. SHEPARD, Toronto
Chairman of the Board, Gulf Oil Canada Limited

JAMES A. STEWART, New York
President, Continental Can International Corporation

ALAN SWEATMAN, Winnipeg
Partner, Thompson, Dorfman, Sweatman

KENNETH R. THOMSON, Toronto
Chairman of the Board and President, Thomson Newspapers Limited

SIR MARK TURNER, London, England
Deputy Chairman, The Rio Tinto-Zinc Corporation Limited

DAVID M. TYERMAN, Regina
Senior Partner, MacPherson, Leslie & Tyerman

GEORGE WILLIAMS, Toronto
President, The Proctor & Gamble Company of Canada, Limited

GORDON D. deS. WOTHERSPOON,
Chairman of the Board, Eaton Financial Services Limited

W. MAURICE YOUNG, Vancouver
Chairman of the Board and Chief Executive Officer, Finning Tractor & Equipment Company Limited

Honorary Vice-President: A. BRUCE MATTHEWS, Toronto

SENIOR OFFICERS OF THE BANK

ALLEN T. LAMBERT	<i>Chairman and Chief Executive Officer</i>
SAMUEL T. PATON	<i>Deputy Chairman</i>
RICHARD M. THOMSON	<i>President</i>
J. ALLAN BOYLE	<i>Executive Vice-President and Chief General Manager</i>
ALAN B. HOCKIN,	<i>Executive Vice-President, Investment</i>
F. G. McDOWELL,	<i>Executive Vice-President, Credit</i>
HERBERT S. WHITE,	<i>Executive Vice-President, International</i>

HEAD OFFICE: P.O. Box 1, Toronto-Dominion Centre, Toronto, Canada M5K 1A2

DIVISIONAL OFFICES

- Pacific* — D. E. McGEACHAN, *Vice-President and General Manager*
Toronto Dominion Bank Tower, P.O. Box 10001, Pacific Centre,
Vancouver, B.C. V7Y 1A2.
- Alberta* — G. A. MARINI, *Vice-President and General Manager*
1400 Edmonton Centre, P.O. Box 700, Edmonton, Alta. T5J 2L5.
- Western* — G. G. KENZIE, *Vice-President and General Manager*
215 Portage Ave., P.O. Box 7700, Winnipeg, Man. R3C 3E7.
- Metro West* — D. A. CARMAN, *Vice-President and General Manager*
P.O. Box 1, Toronto-Dominion Centre, Toronto, Ont. M5K 1A2.
- Metro East* — W. R. COLLIER, *Vice-President and General Manager*
P.O. Box 1, Toronto-Dominion Centre, Toronto, Ont. M5K 1A2.
- Ontario Southwest* — W. A. ALEXANDER, *Vice-President and General Manager*
P.O. Box 1, Toronto-Dominion Centre, Toronto, Ont. M5K 1A2.
- Ontario North and East* — R. J. HENDERSON, *Vice-President and General Manager*
P.O. Box 1, Toronto-Dominion Centre, Toronto, Ont. M5K 1A2.
- Eastern* — V. T. NORBERG, *Executive Vice-President and General Manager*
500 St. James St. W., P.O. Box 6009, Montreal, Que. H3C 3B7
-

OFFICES OUTSIDE CANADA

- LONDON, ENGLAND: Regional Office, Europe & Africa
St. Helen's, 1 Undershaft, EC3A 8HU
Main Branch, 62 Cornhill, EC3V 3PL
West End Branch, 103 Mount St., W1Y 5HE
- NEW YORK: 45 Wall Street, N.Y. (10005)
- CHICAGO: Suite 3148,
One First National Plaza (60603)
- HOUSTON: 811 Rusk Avenue (77002)
- LOS ANGELES: 9430 Wilshire Blvd.,
Beverly Hills (90212)
- SAN FRANCISCO: 130 Sansome Street (94104)
- FRANKFURT, GERMANY: Westendstrasse 24,
Frankfurt/M.I.
- SINGAPORE: Regional Office, Far East,
Shenton House, 3 Shenton Way, Singapore 1
- TOKYO: 2-3 Marunouchi 3-chome Chiyoda-Ku,
Tokyo 100, Japan
- HONG KONG: 10 Harcourt Road, Hong Kong
- JAKARTA, INDONESIA: Jalan M.H., Thamrin 59,
Jakarta, Pusat, Indonesia
- BANGKOK, THAILAND: 699 Silom Road,
Bangkok 5
- TAIPEI, TAIWAN: Tai Tze Bldg., 20 Pa Teh Road,
P.O. Box 36-137
- MEXICO CITY: Paseo de la Reforma 382.
Mexico 6 D.F.
- SAO PAULO, BRAZIL: Avenida Paulista 2439,
10 Andar Conjunto 101 (01311)
- PANAMA: Apartado Postal 035, Panama 5,
Republic of Panama
- BEIRUT, LEBANON: Regional Office, Middle East
Sehnaoui Building, Rue Banque du Liban,
P.O. Box 155072-Hamra
- ABU DHABI: P.O. Box 2664, Abu Dhabi, United
Arab Emirates
- DUBAI: P.O. Box 2294, Dubai, United Arab
Emirates
- TORONTO DOMINION BANK OF CALIFORNIA
Head Office
114 Sansome Street, San Francisco (94104)



TORONTO DOMINION
the bank where people make the difference